

CORPORATE GOVERNANCE REPORT

STOCK CODE	0080
COMPANY NAME	STRAITS ENERGY RESOURCES BERHAD (formerly known as Straits Inter Logistics Berhad)
FINANCIAL YEAR	December 31, 2021

OUTLINE:

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PERSUANT CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

SECTION A – DISCLOSURE ON MALAYSIAN CODE ON CORPORATE GOVERNANCE

Disclosures in this section are pursuant to Paragraph 15.25 of Bursa Malaysia Listing Requirements.

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.1

The board should set the company's strategic aims, ensure that the necessary resources are in place for the company to meet its objectives and review management performance. The board should set the company's values and standards, and ensure that its obligations to its shareholders and other stakeholders are understood and met

Application	: Applied
Explanation on application of the practice	<p>The Board assumes responsibility for effective stewardship and control of the Company and has established terms of reference, in the form of a Board Charter. The Board Charter assists the Board in the discharge of its fiduciary and leadership responsibilities in the pursuit of the best interest of the Group.</p> <p>The Board's role and responsibilities, and the delegations of powers to its Board Committees and Group Managing Director ("Group MD") are clearly delineated, including in the Delegation of Authority Limits ("DAL") delegated by our Board to our Group MD and the Leadership Team.</p> <p>Other responsibilities carried out by the Board in ensuring the Company meeting its objectives and goals amongst others include:-</p> <ol style="list-style-type: none">1) Performing periodic review of the financial results and progress of projects as a mean to overseeing the conduct of the business and the overall performance management of the business affairs of the Group.2) Deliberating the interim and annual financial reporting with management and External Auditors to ensure the integrity and reliability of the financial information published.3) Reviewing related party transaction, if any to ensure compliance and the interest of minority shareholders are not detrimental by related party transactions.4) Reviewing the adequacy and integrity of the Company's enterprise-wide risk management and internal control systems for compliance with applicable rules and regulations

	<p>5) Reviewing the adequacy and integrity of the Company's enterprise-wide risk management and internal control systems for compliance with applicable rules and regulations.</p> <p>6) Reviewing, deliberating and approving Board Committees' reports and recommendation.</p> <p>7) Reviewing the strategic plan of the company which includes strategies on economic, environmental and social considerations underpinning sustainability.</p> <p>8) Supervise and assess management performance to determine whether the business is being properly managed</p> <p>The Board Charter and the Terms of Reference for respective Board Committees are available on the Company's corporate website at www.straits-energyresources.com</p>
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.2

A Chairman of the board who is responsible for instilling good corporate governance practices, leadership and effectiveness of the board is appointed.

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman of the Board, Y.A.M Dato' Seri Tengku Baharuddin Ibni Almarhum Sultan Mahmud Al-Muktafi Billah Shah plays a key role in ensuring the effective functioning of the Board, provide effective leadership, strategic direction and necessary governance to the Group</p> <p>The Chairman leads and ensures the effectiveness of the board by among others, encouraging healthy debates by all directors, allowing sufficient time for discussion of issues and ensuring that the board's decisions fairly reflect board consensus.</p> <p>The Chairman will act as facilitator at meetings of the Board to ensure that no Directors, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among Directors is forthcoming.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.3

The positions of Chairman and CEO are held by different individuals

Application	:	Applied
Explanation on application of the practice	:	<p>The Chairman and Group MD positions are separated and held by different individuals. The Board is headed by a Non-Independent Non-Executive Chairman. There is a clear division of responsibilities between the Non-Independent Non-Executive Chairman and the Group MD to ensure balance of power and authority in the Board.</p> <p>The role and responsibilities of the Chairman and Group MD are formally documented in the Board Charter, which is published on the corporate website at www.straits-energyresources.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.4

The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee

Application	:	Applied
Explanation on application of the practice	:	In accordance with Practice 1.4 of the MCCG which states that the Chairman of the Board should not be a member of the Audit Committee ("AC") and Nomination & Remuneration Committee ("NRC"), the Chairman of the Board is not a member of any of the Board Committees so as to ensure that the objectivity of the Chairman and the Board is not impaired when deliberating on observations and recommendations put forth by the Board Committees.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.5

The board is supported by a suitably qualified and competent Company Secretary to provide sound governance advice, ensure adherence to rules and procedures, and advocate adoption of corporate governance best practices

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is supported by suitably qualified company secretaries who are responsible ensuring the effective functioning of Board and that rules and regulations are complied with. The Company Secretary also act as secretaries of all Board Committees.</p> <p>The Company Secretaries, who is MAICSA and MACS qualified, had and will constantly keep themselves abreast, through continuous training on the regulatory changes and development in corporate governance.</p> <p>The Company Secretaries have always supported the Board and played an important role to facilitate the overall compliance with Companies Act 2016, Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and other relevant laws and regulations.</p> <p>The roles and responsibilities of a company secretary include, but are not limited to the following:-</p> <ul style="list-style-type: none"> • Advise the board on its roles and responsibilities • Manage all board and committee meeting logistics, attend and record minutes of all board and committee meetings and facilitate board communications • Advise the board on corporate disclosures and compliance with company and securities regulations and listing requirements; • Manage processes pertaining to the annual shareholder meeting <p>The Company Secretary attends all Board and other Board Committees' meetings and ensures that accurate and proper records of the proceedings of Board and other Board Committees' meetings, and their resolutions passed are kept</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company.

Practice 1.6

Directors receive meeting materials, which are complete and accurate within a reasonable period prior to the meeting. Upon conclusion of the meeting, the minutes are circulated in a timely manner.

Application	:	Applied
Explanation on application of the practice	:	<p>In facilitating Board and Board Committee meetings, notices of meetings together with the agenda, minutes of previous meetings, and other relevant supporting papers are provided and circulated to the Board and Board Committees within reasonable periods prior to the meetings.</p> <p>This is to accord sufficient time for the Directors to peruse the Board papers and to seek any clarification or further details that they may need from the Management or to consult independent advisers, if they deem necessary. The Board also notes the decisions and salient issues deliberated by the Board Committees through the minutes of these Committees' meetings.</p> <p>Board committee meetings were conducted separately from the Board meeting to enable objective and independent discussion during the meeting.</p> <p>The Management and professional advisers are invited to attend meetings to provide additional insights and professional views, advice and explanation on specific items on the meeting agenda, where necessary. All deliberations and decisions of the Boards are properly recorded and documented by the Company Secretaries including whether any Directors abstained from voting and deliberating on the matter. Minutes of meetings are circulated to the Board and Board Committees in a timely manner.</p>
Explanation for departure	:	
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure	:	
Timeframe	:	

Intended Outcome

There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

Practice 2.1

The board has a board charter which is periodically reviewed and published on the company's website. The board charter clearly identifies:-

- the respective roles and responsibilities of the board, board committees, individual directors and management; and
- issues and decisions reserved for the board

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Charter serves as a source of reference to the Board for matters relating to the Board's organisation. It also provides guidance to the Board members in the performance of their duties, roles and responsibilities as Directors. The Board review and update the Board Charter from time to time in order to ensure it remains consistent with the Board's objectives, current law and practices.</p> <p>The Charter provides guidance for directors and Management regarding the responsibilities of the Board, its Committees and management, the requirements of Directors in carrying out their stewardship role and in discharging their duties towards the Company as well as boardroom activities.</p> <p>The Board is committed to take full responsibility for the overall corporate governance of the Group. In performing its duties, the Board is guided by the Board Charter that sets out amongst others its roles, composition, responsibilities, powers, Board Committees and Board meeting. The key elements of governance principles embedded in the Charter regulate the Board's conducts and guide the business strategic initiative of the Group.</p> <p>The Board has reserved certain material matters for the collective review and decision by the Board. Matters reserved for the Board include but are not limited to the following:</p> <ul style="list-style-type: none">• Group's business strategy and business plan;• Annual budgets, including major capital expenditure projects;• Material acquisition and disposal of assets; and• significant financial matters

	The Board Charter is available on the Company's website at www.straits-energyresources.com	
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.1

The board establishes a Code of Conduct and Ethics for the company, and together with management implements its policies and procedures, which include managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering.

The Code of Conduct and Ethics is published on the company's website.

Application	:	Applied
Explanation on application of the practice	;	<p>The Board Charter requires Board members to inform the Board of conflicts or potential conflicts of interest they have in relation to particular items of business; disclose their direct or indirect shareholdings in the Company, other directorships and any potential conflicts of interest; and abstain from deliberation/discussion or decisions on matters in which they have a conflicting interest. Where a material related party transaction or contract is concerned, such Director shall also abstain from deliberation and voting on the matter and leave the meeting room when the decision on the contract or transaction is being deliberated and approved.</p> <p>The Company's Code of Conduct and Ethics for the employees of the Group are comprehensively listed in the Company's Employee Handbook and it provides the ethical framework to guide actions and behaviors of all Directors and its employees while at work. The Employee Handbook is accessible through the corporate intranet.</p> <p>In discharging its functions, the Board also adheres strictly to the Directors' Code of Conduct and Ethics it has in place. The Directors are expected to conduct themselves with the highest ethical standards and corporate governance.</p> <p>The Code of Conduct is available on the Company's website at www.straits-energyresources.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the company.

Practice 3.2

The board establishes, reviews and together with management implements policies and procedures on whistleblowing

Application	:	Applied
Explanation on application of the practice	:	<p>The Group has in place a Whistleblowing Policy to enable employees and associates within the Group to report any genuine concerns about misconduct, wrongdoings, corruption and instances of fraud, and/or abuse that they encounter involving the interests of the Company and to provide protection for its employees and associates who report such allegations.</p> <p>Confidentiality of the matters raised and the identity of the whistle blowers are protected under the policy.</p> <p>Employees and stakeholders are encouraged to raise any serious concerns they have on any suspected misconduct or malpractices without fear of victimisation in a responsible manner rather than avoiding or overlooking them.</p> <p>The Whistle-Blowing Policy is available on the Company's website at www.straits-energyresources.com.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.1

The board together with management takes responsibility for the governance of sustainability in the company including setting the company’s sustainability strategies, priorities and targets.

The board takes into account sustainability considerations when exercising its duties including among others the development and implementation of company strategies, business plans, major plans of action and risk management.

Strategic management of material sustainability matters should be driven by senior management.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board believes that sustainable business practices are essential to the creation of long-term value, and that running the business in a responsible manner is intrinsically tied to achieving operational excellence; accordingly, the Board exercises oversight over the company’s performance with respect to Environmental, Social and Governance (“ESG”) factors as a part of our duty to directly oversee the Group’s corporate strategy.</p> <p>The Board conducts a review of the Group’s overall strategy to ensure that the Company’s strategies promote sustainability with attention given particularly to environmental, social and governance aspects of business which underpin sustainability.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.2

The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>Straits had in January 2020 established our Sustainability Management Committee ("SMC") which comprises key management personnel with direct reporting to the Group Managing Director ("Group MD"). SMC is to provide leadership and direction for the implementation of sustainability initiatives and reporting throughout the Group and all our subsidiaries.</p> <p>SMC is responsible for the development of management action plans towards achieving the Group's goal of being a sustainable organisation and drives various initiatives to identify and improve pertinent economic, environmental and social matters and other areas of concerns with the ultimate aim of achieving the goals of the Group.</p> <p>The Group has always been working closely with various stakeholders, which allows Straits to fully comprehend and complement various expectations and requirements from the stakeholders and enables us to better manage matters pertaining to sustainability and materiality.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.3

The board takes appropriate action to ensure they stay abreast with and understand the sustainability issues relevant to the company and its business, including climate-related risks and opportunities

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has undertaken an assessment of the training needs of each of its Directors and ensured that all its members undergo the necessary training programmes as prescribed and other training programmes to enable the discharge of duties effectively.</p> <p>The Board will ensure its members undergo training programmes on sustainability issues in the current year.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.4

Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities

Application	:	Applied
Explanation on application of the practice		An evaluation of the performance of the Board members was carried out during the year by the Board. An assessment of the performance of the senior management was conducted by the Group Managing Director.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

Practice 4.5- Step Up

The board identifies a designated person within management, to provide dedicated focus to manage sustainability strategically, including the integration of sustainability considerations in the operations of the company.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	Not Adopted
Explanation on application of the practice	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.1

The Nomination Committee should ensure that the composition of the board is refreshed periodically. The tenure of each director should be reviewed by the Nomination Committee and annual re-election of a director should be contingent on satisfactory evaluation of the director's performance and contribution to the board.

Application	:	Applied
Explanation on application of the practice	:	<p>The Nomination and Remuneration Committee ("NRC") conducted annual assessment on the effectiveness of the Board and reviewed the required mix of skills, experience and other qualities which the Directors could bring to the Board and confirmed the composition of the Board was appropriate and suitable, with a good mix of skills and core competencies to discharge their duties and responsibilities and to meet the business needs of the Group.</p> <p>The NRC reviewed the tenure of services of directors and was of the view that continued tenure of directorship could bring considerable stability to the Board and the Company would be benefited from Directors who have, over time, gained valuable insight into the Group</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.2

At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors

Application :	Departure	
Explanation on application of the practice :		
Explanation for departure :	<p>The Board viewed that with the existing Board structure of having two (2) Independent Non-Executive Directors out of seven (7) Board members is sufficient to provide the necessary checks and balances on the decision-making process of the Board in the meantime.</p> <p>The Independent Directors provide independent and objective judgement as well as impartial opinion on Board deliberations and decision making and significant contributions of the Independent Directors is evidenced on their participation as members of the committees of the Board.</p> <p>Although less than half of the Board comprises Independent Non-Executive Directors, the Board views the number of its Independent Non-Executive Directors as adequate to provide the necessary check and balance to the Board's decision-making process.</p> <p>The lack of the necessary number of Independent Non-Executive Directors does not jeopardise the independence of Board deliberations as all decisions have been made in the best interest of the Company and the Group. However, the Board will endeavour to look for suitable candidates to fill more independent positions.</p>	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure :		
Timeframe :		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.3

The tenure of an independent director does not exceed a cumulative term limit of nine years. Upon completion of the nine years, an independent director may continue to serve on the board as a non-independent director.

If the board intends to retain an independent director beyond nine years, it should provide justification and seek annual shareholders' approval through a two-tier voting process.

Application	:	Applied
Explanation on application of the practice	:	As at to-date, the tenure of all our Independent Directors does not exceed nine (9) years
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.4 - Step Up

The board has a policy which limits the tenure of its independent directors to nine years without further extension.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application	Not Adopted
Explanation on application of the practice	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.5

Appointment of board and senior management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender.

Directors appointed should be able to devote the required time to serve the board effectively. The board should consider the existing board positions held by a director, including on boards of non-listed companies. Any appointment that may cast doubt on the integrity and governance of the company should be avoided

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is of the view that it has the right mix of individual qualities to fulfil its role. Taken as a whole, the Board represents many years' experience in financial, business management, legal, insurance and corporate affairs and is therefore suited to the oversight of the Company.</p> <p>The current Board is drawn from different ethnic, cultural and socio-economic background with their age difference to ensure that different viewpoints are considered in the decision making process.</p> <p>The Board acknowledges the importance of diversity to ensure the mix and profiles of the Board members, in terms of age, ethnicity and gender, ability to provide the necessary range of perspectives, experiences and expertise required are well balanced in order to achieve effective board stewardship.</p> <p>The NRC is responsible to lead the process for the nomination of new Board appointments and making the necessary recommendations. In making its recommendations to the Board, the NRC considers and assess the suitability of a new appointment based on objective criteria, including:</p> <ul style="list-style-type: none">• Qualification;• Required competencies, skills, expertise and experience;• Specialist knowledge or technical skills;• Professionalism and integrity; and• Time commitment.

	<p>In the case of candidates for the position of Independent Non-Executive Director, the NRC would also evaluate the candidate's ability to discharge such responsibilities/functions as expected from an Independent Non-Executive Director.</p> <p>The appointment of Key Senior Management is based on character, experience, integrity, competency and time to discharge their role. Best suited candidates are shortlisted for appointment based on their skills, experience and track record, in addition to being assessed through a broad range of interview questions.</p>	
Explanation for departure		
<p><i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i></p>		
Measure		
Timeframe		

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.6

In identifying candidates for appointment of directors, the board does not solely rely on recommendations from existing board members, management or major shareholders. The board utilises independent sources to identify suitably qualified candidates.

If the selection of candidates was based on recommendations made by existing directors, management or major shareholders, the Nominating Committee should explain why these source(s) suffice and other sources were not used.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board is responsible to determine the appropriate size of the Board and the appointment of new director is a matter for consideration and decision by the Board, upon the recommendation of the NRC. The NRC has been tasked to review the recruitment and selection process of new director and will consider the required mix of skills, experience, other qualities and diversity, including gender, amongst other attributes needed to ensure an effective Board in the review and selection of potential Board member.</p> <p>Although there was no appointment of a new Director during FYE 2021, the Board takes cognisance of the importance of utilising independent sources to identify qualified candidates as recommended by the Malaysian Code on Corporate Governance</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.7

The board should ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director. This includes details of any interest, position or relationship that might influence, or reasonably be perceived to influence, in a material respect their capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the listed company as a whole. The board should also provide a statement as to whether it supports the appointment or reappointment of the candidate and the reasons why.

Application	:	Applied
Explanation on application of the practice	:	Shareholders are kept informed on the Board's decision in respect of appointment of directors via announcements to Bursa Securities and updates on the Company's website. The profiles of Directors are published in the Annual Report include their age, gender, date of appointment and last re-election, directorships in other companies, working experience and any conflict of interest with the Company, if any. The details of directors who are standing for re-election is set out in page 19 and 20 of Annual Report 2021.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.8

The Nominating Committee is chaired by an Independent Director or the Senior Independent Director.

Application	:	Applied
Explanation on application of the practice	:	The Nomination and Remuneration Committee (“NRC”) was chaired by Mr Ho Fook Meng, who is an Independent Non-Executive Director of the Company.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.9

The board comprises at least 30% women directors.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>Diversity at the Board and Senior Management level is one of the essential elements to support a balance and sustainable growth of the Group. Appointment of Board and Senior Management are based on merit basis with due regard for diversity in skills, attribute, experience, cultural and educational background, age and gender.</p> <p>In selecting the potential candidates for Key Senior Management, consideration was given to the attributes, merit, experience, skill and contribution that the candidate will bring to the Group. The Key Senior Management is of sufficient calibre to ensure effective functioning of the business operations</p> <p>The Group adopts non-discriminatory policy in employing talents to fulfil its human resource needs at all levels including Board especially in ensuring gender diversity.</p> <p>The Board does not set any specific target for female Directors on the Board but will actively work towards having more female Directors on the Board. This similarly applies to Senior Management Team.</p> <p>The Group has, at all times, practices non-discrimination on the basis of, but not limited to, age, gender, ethnicity or religion, educational and cultural background or geographic region when selecting Board member and Senior Management Team.</p> <p>The Group currently has two (2) female Directors on the Board i.e one in the Company and one in the subsidiary</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Board decisions are made objectively in the best interests of the company taking into account diverse perspectives and insights.

Practice 5.10

The board discloses in its annual report the company's policy on gender diversity for the board and senior management.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The Board is of the view that it is important to recruit and retain the best available talent regardless of gender, ethnicity and age to maximize the effectiveness of the Board.</p> <p>Board acknowledge the importance of Boardroom diversity and will commit to diversity at the leadership and employee levels. In tandem with the heightened emphasis on the dimension of gender, the Board ensures there is clear commitment to develop a corporate culture that also embraces the aspect of gender diversity.</p> <p>Though the Company does not have a policy on Gender Diversity, the Board had always been in support of a policy of non-discrimination on the basis of race, religion and gender.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to form an opinion on the overall effectiveness of the board and individual directors.

Practice 6.1

The board should undertake a formal and objective annual evaluation to determine the effectiveness of the board, its committees and each individual director. The board should disclose how the assessment was carried out its outcome, actions taken and how it has or will influence board composition.

For Large Companies, the board engages an independent expert at least every three years, to facilitate objective and candid board evaluation

Application	:	Applied
Explanation on application of the practice	:	<p>The NRC evaluates and assesses the effectiveness of the Board and its committees. The evaluation exercise is undertaken after the end of each financial year. The Executive and Non-Executive Directors are assessed by peer and via self-evaluation on how he/she performed against set parameters, contribution of the director to the Board’s strategic thinking, leadership and commitment of the director, participation in Board and Committee meetings and communication and inter-personal skills of the director.</p> <p>The company did not engage any external independent experts or consultants as advisors to facilitate the board evaluation process.</p> <p>During the year under review, the assessment and evaluation were conducted in-house.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.1

The board has remuneration policies and procedures to determine the remuneration of directors and senior management, which takes into account the demands, complexities and performance of the company as well as skills and experience required. The remuneration policies and practices should appropriately reflect the different roles and responsibilities of non-executive directors, executive directors and senior management. The policies and procedures are periodically reviewed and made available on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board adopted the Board Remuneration Policy to determine the remuneration of Directors and Senior Management during the financial year ended 31 December 2021.</p> <p>The Board believes that competitive remuneration is important to attract, retain and motivate Directors with necessary calibre, expertise and experience to lead the Group in the long term. The Board had adopted policies and procedures to determine the remuneration of Directors and senior management which takes into account the demands, complexities and performance of the Company as well as skills and experience required to determine the remuneration of Directors and senior management.</p> <p>The policies and procedures are periodically reviewed and made available on the Company's website at http://www.straits-energyresources.com</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

The level and composition of remuneration of directors and senior management take into account the company's desire to attract and retain the right talent in the board and senior management to drive the company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

Practice 7.2

The board has a Remuneration Committee to implement its policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of board and senior management.

The Committee has written Terms of Reference which deals with its authority and duties and these Terms are disclosed on the company's website.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has an NRC to assist on matters relating to the remuneration of Directors and Senior Management personnel in the C-Suite category. The NRC is charged with the duties for developing, establishing and implementing competitive remuneration policies and packages for Directors and C-Suite Management personnel. The composition and activities of the NRC during the year under review are set out in the Corporate Governance Overview Statement on page 34 to 49 of the Annual Report 2021.</p> <p>The NRC has written Terms of Reference ("TOR") to set out the authority, roles and responsibilities of the NRC.</p> <p>The TOR of the NRC is made available in the Company's website at http://www.straits-energyresources.com</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.1

There is detailed disclosure on named basis for the remuneration of individual directors. The remuneration breakdown of individual directors includes fees, salary, bonus, benefits in-kind and other emoluments.

Application	:	Applied
Explanation on application of the practice	:	Details of the remuneration of individual Directors of the Company are disclosed on named basis as stated below. The remuneration breakdown of individual Directors is also set out on Page 44 to 45 of the Annual Report 2021 of the Company.

No	Name	Directorate	Company (RM '000)							Group (RM '000)						
			Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments	Total
1	Y.A.M Dato' Seri Tengku Baharuddin	Non-Executive Non-Independent Director	54	4	-	-	-	-	58	294	11	-	-	-	-	305
2	Tan Sri Mohd Bakri	Non-Executive Non-Independent Director	48	21.6	-	-	-	-	69.6	288	28.8	-	-	-	-	316.8
3	Leong Fook Heng	Independent Director	48	20.8	-	-	-	-	68.8	48	20.8	-	-	-	-	68.8
4	Ho Fook Meng	Independent Director	48	21.6	-	-	-	-	69.6	48	21.6	-	-	-	-	69.6
5	Harison Binti Yusoff	Non-Executive Non-Independent Director	48	6.4	-	-	-	-	54.4	48	6.4	-	-	-	-	54.4
6	Dato' Sri Ho Kam Choy	Executive Director	-	-	360	30	0.9	46.8	437.7	36	-	720	60	2.1	93.6	911.7
7	Capt Tony Tan Han (Chen Han)	Executive Director	-	-	-	-	-	-	-	-	-	591	-	-	50.2	641.2
8	Ho Hung Ming (Alternate Director to Tan Sri Mohd Bakri)	Non-Executive Non-Independent Director	-	-	-	-	-	-	-	-	-	192	16	1.2	24.8	234.0
9	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
10	Input info here	Choose an item.	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.2

The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.

Application :	Departure														
Explanation on application of the practice :															
Explanation for departure :	<p>The remuneration of the top five Key Senior Management Team of the Company for FYE 2021 is as follows:-</p> <table border="1" data-bbox="699 821 1253 1129"> <thead> <tr> <th>Range of Remuneration per annum (RM)</th> <th>Key Senior Management</th> </tr> </thead> <tbody> <tr> <td>RM 50,000 and below</td> <td>-</td> </tr> <tr> <td>RM 50,001 - RM 100,000</td> <td>-</td> </tr> <tr> <td>RM 100,001 – RM 200,000</td> <td>3</td> </tr> <tr> <td>RM 200,001 – RM 300,000</td> <td>-</td> </tr> <tr> <td>RM 300,001 – RM 400,000</td> <td>2</td> </tr> <tr> <td>More than RM 400,000</td> <td>-</td> </tr> </tbody> </table> <p>The Company has not disclosed on a named basis the top five senior management's remuneration component, including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000 as the Board believes that such disclosure on a named basis may be detrimental to the Company's interests as this may cause unnecessary unease among senior management personnel should they compare their remuneration against those listed in the Annual Report.</p> <p>Moreover, our caliber employees may be subject to poaching by rival companies. As an alternative, the Board is of the view that the disclosure of the remuneration paid to the top five (5) Key Senior Management for the FYE 2021 on unnamed basis in the bands of RM50,000.00 is adequate.</p>	Range of Remuneration per annum (RM)	Key Senior Management	RM 50,000 and below	-	RM 50,001 - RM 100,000	-	RM 100,001 – RM 200,000	3	RM 200,001 – RM 300,000	-	RM 300,001 – RM 400,000	2	More than RM 400,000	-
Range of Remuneration per annum (RM)	Key Senior Management														
RM 50,000 and below	-														
RM 50,001 - RM 100,000	-														
RM 100,001 – RM 200,000	3														
RM 200,001 – RM 300,000	-														
RM 300,001 – RM 400,000	2														
More than RM 400,000	-														
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>															
Measure :															
Timeframe :															

No	Name	Position	Company					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
2	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
3	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
4	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.
5	Input info here	Input info here	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.	Choose an item.

Intended Outcome

Stakeholders are able to assess whether the remuneration of directors and senior management is commensurate with their individual performance, taking into consideration the company's performance.

Practice 8.3 - Step Up

Companies are encouraged to fully disclose the detailed remuneration of each member of senior management on a named basis.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application :	Not Adopted
Explanation on application of the practice :	

No	Name	Position	Company ('000)					
			Salary	Allowance	Bonus	Benefits	Other emoluments	Total
1	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
2	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
3	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
4	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here
5	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here	Input info here

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.1

The Chairman of the Audit Committee is not the Chairman of the board.

Application	:	Applied
Explanation on application of the practice	:	The Chairman of the AC is not the Chairman of the Board. The Company complied with Practice 9.1 of the Code which stipulated that the Chairman of the AC is not the Chairman of the Board. The AC is chaired by an Independent Non-Executive Director, Leong Fook Heng who is not the Chairman of the Board.
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.2

The Audit Committee has a policy that requires a former partner of the external audit firm of the listed company to observe a cooling-off period of at least three years before being appointed as a member of the Audit Committee.

Application	:	Applied	
Explanation on application of the practice	:	The Company had adopted an External Auditor's Assessment Policy which stated that a former key audit partner to observe a cooling-off period of at least two years before being appointed as a member of the Audit Committee.	
Explanation for departure	:		
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.3

The Audit Committee has policies and procedures to assess the suitability, objectivity and independence of the external auditor to safeguard the quality and reliability of audited financial

Application	:	Applied
Explanation on application of the practice	:	<p>The Audit Committee conducted a formal annual assessment of the external auditors in terms of performance, calibre, quality of processes, independence and objectivity, scope and planning and fees.</p> <p>The External Auditors were also assessed in pursuance to the criteria as prescribed by the Listing Requirements. Every year, before and after the final year end audit, the External Auditors, Meesrs. Moore Stephen Associates PLT, represented to the Audit Committee, their independence in accordance with their firm's requirements and with the provisions of the Bye-Laws on Professional Independence of the Malaysian Institute of Accountants and that they have reviewed their non-audit services provided in accordance with the independence requirements and they were not aware not any non-audit services that might have compromised their independence as External Auditors of the Group.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.4 - Step Up

The Audit Committee should comprise solely of Independent Directors

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application :	Not Adopted
Explanation on application of the practice :	

Intended Outcome

There is an effective and independent Audit Committee.

The board is able to objectively review the Audit Committee's findings and recommendations. The company's financial statement is a reliable source of information.

Practice 9.5

Collectively, the Audit Committee should possess a wide range of necessary skills to discharge its duties. All members should be financially literate, competent and are able to understand matters under the purview of the Audit Committee including the financial reporting process.

All members of the Audit Committee should undertake continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

Application	:	Applied
Explanation on application of the practice	:	<p>The AC conducts evaluation annually to assess the performance and skillsets of the AC members. During FYE 2021, the AC members completed the assessment on individual basis and the results were compiled by the company secretaries and tabled for the NRC's review.</p> <p>Based on the results of the assessment for FYE 2021, the NRC concluded that the AC members were financially literate and understood the Group's business. The AC as a whole, possesses necessary skills and knowledge to discharge their duties. The members of the AC had attended various continuous trainings and development programmes as detailed in Corporate Governance Overview Statement in the 2021 Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.1

The board should establish an effective risk management and internal control framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board has established Board Risk & Compliance Committee ("BRCC") on 26 March 2018.</p> <p>The BRCC has the overall responsibility for overseeing the Group's risk Management system, approving appropriate risk Management practices and procedures to ensure effectiveness of risk identification, Management and monitoring.</p> <p>Its primary roles include the following:-</p> <ul style="list-style-type: none">• To assist and promote risk awareness so that risk identification, evaluation and Management process and culture are adopted throughout the Group.• To ensure the effective implementation of risk policy and procedures.• To provide regular and timely reporting and update the Board on key risk Management issues as well as ad-hoc evaluation and reporting of new ventures/ investments proposals.• To ensure that risk Management is incorporated in the Statement of Internal Control for inclusion in the Company's Annual Report and to recommend the same for the approval of the Board. <p>Details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management & Internal Control of the Company's Annual Report 2021.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.2

The board should disclose the features of its risk management and internal control framework, and the adequacy and effectiveness of this framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Board Risk & Compliance Committee's key function is to review the adequacy and effectiveness of risk Management of the Group. The Board Risk & Compliance Committee is responsible for identifying the key risks of all operating units within the Group and the Management action plans to mitigate these risks for report to the Board to ensure that the risk policies and procedures are aligned to the business strategies. It also reviews, assesses and ensures there is adequate framework for risk identification, measurement, monitoring and control.</p> <p>The monitoring of risk Management by the Group is enhanced by the internal audits carried out by the outsourced Internal Audit Function with specific audit objectives and business risks identified for each internal audit cycle based on an Internal Audit Plan approved by the Audit Committee.</p> <p>The Statement on Risk Management & Internal Control is stated on pages 51 to 56 of the 2021 Annual Report</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies make informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the company's objectives is mitigated and managed.

Practice 10.3 - Step Up

The board establishes a Risk Management Committee, which comprises a majority of independent directors, to oversee the company's risk management framework and policies.

<i>Note: The explanation on adoption of this practice should include a brief description of the responsibilities of the designated person and actions or measures undertaken pursuant to the role in the financial year.</i>	
Application :	Not Adopted
Explanation on application of the practice :	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.1

The Audit Committee should ensure that the internal audit function is effective and able to function independently.

Application	:	Applied
Explanation on application of the practice	:	<p>The internal audit function of the Group is carried out by an outsourced external service provider, Tricor Axcelasia Sdn. Bhd. The outsourced internal auditors report directly to the AC. Internal audit reports are presented, together with audit findings and recommendations as well as Management's response and proposed action plans, to the AC on a quarterly basis.</p> <p>The internal audit function is independent and performs audit assignments with impartiality, proficiency and due professional care.</p> <p>The key activities covered by the internal audit function during the financial year under review is provided in the AC Report as set out on page 28 to 33 of this Annual Report.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Companies have an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

Practice 11.2

The board should disclose–

- whether internal audit personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence;
- the number of resources in the internal audit department;
- name and qualification of the person responsible for internal audit; and
- whether the internal audit function is carried out in accordance with a recognised framework.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's internal audit function is outsourced to an independent professional firm i.e. Messrs. Tricor Axcelasia Sdn. Bhd ("Axcelasia"). The Internal Audit ("IA") Function is carried out based on the Outsourced Internal Auditor's own internal audit approach, which is closely consistent with the International Professional Practice Framework ("IPPF") of the Institute of the International Auditors.</p> <p>The Board obtains sufficient assurance of the effectiveness of risk management, internal control and governance processes in the Group, through regular reviews and appraisals conducted by Axcelasia, which reports directly to the AC.</p> <p>The AC determines the adequacy of the scope, function and resources of the internal audit function as well as the competency and independence of the Outsourced Internal Auditor.</p> <p>The internal audit staff on the engagement are free from any relationships or conflict of interest, which could impair their objectivity and independence, and the internal audit reviews were conducted using a risk-based approach and were guided by the IPPF.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.1

The board ensures there is effective, transparent and regular communication with its stakeholders.

Application	:	Applied
Explanation on application of the practice	:	<p>The Group's financial performance, major corporate developments and other relevant information are promptly disseminated to shareholders and investors via announcements of its quarterly results, annual report, corporate announcements to Bursa Securities and media release.</p> <p>It is the Group's practice that any material information for public announcement, including annual, quarterly financial statements, press releases, and presentation to investors, analyst and media are factual and reviewed internally before issuance to ensure accuracy and is expressed in a clear and objective manner.</p> <p>All information in regard to the above are available in the website at www.straits-energyresources.com</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

There is continuous communication between the company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the company, its policies on governance, the environment and social responsibility.

Practice 12.2

Large companies are encouraged to adopt integrated reporting based on a globally recognised framework.

Application	:	Departure	
Explanation on application of the practice	:		
Explanation for departure	:	Not applicable – Not a Large Company	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>			
Measure	:		
Timeframe	:		

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.1

Notice for an Annual General Meeting should be given to the shareholders at least 28 days prior to the meeting.

Application	:	Departure
Explanation on application of the practice	:	
Explanation for departure	:	<p>The 24th Annual General Meeting (“AGM”) was held on 24 June 2021. The notice of the 24th AGM was issued on 28 May 2021 i.e 26 days before the AGM to ensure sufficient time for our shareholders to plan for their attendance and if required, lodge their proxy form.</p> <p>The Board with the assistance of the Company Secretaries will ensure the notice of subsequent AGM is sent not less than 28 days.</p>
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.2

All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them

Application	:	Applied
Explanation on application of the practice	:	<p>All our Board members including our Group MD and Senior Management Team attended the AGM and EGM online and responded to questions raised by shareholders.</p> <p>All the Directors of the Company will endeavour to attend all future General Meetings and the Chair of the Audit Committee, Nomination and Remuneration Committee and Board Risk & Compliance Committee to provide meaningful responses to questions addressed to them.</p> <p>The External Auditors was also present at the Annual General Meeting to respond to any questions raised by the shareholders.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.3

Listed companies should leverage technology to facilitate–

- voting including voting in absentia; and
- remote shareholders' participation at general meetings.

Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.

Application	:	Applied
Explanation on application of the practice	:	<p>At the Company's 24th Annual General Meeting held on 24 June 2021, the Company had leveraged on technology to conduct a fully virtual Annual General Meeting with Remote Participation and Voting ("RPV") facilities provided by Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") in accordance with the Constitution of the Company and Section 327(1) and (2) of the Companies Act 2016.</p> <p>The Company had appointed the share registrar, Tricor as Poll Administrator to conduct the polling process and Asia Securities Sdn. Berhad., as scrutineers to verify the poll results.</p> <p>Shareholders logged on to Tricor's TIH Online website with their usernames and passwords and participated in the Annual General Meeting remotely via the live streaming. Shareholders exercised their rights to attend, participate and vote at the meeting remotely using the RPV facilities at http://tjih.online.</p>
Explanation for departure	:	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>		
Measure	:	
Timeframe	:	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.4

The Chairman of the board should ensure that general meetings support meaningful engagement between the board, senior management and shareholders. The engagement should be interactive and include robust discussion on among others the company's financial and non-financial performance as well as the company's long-term strategies. Shareholders should also be provided with sufficient opportunity to pose questions during the general meeting and all the questions should receive a meaningful response.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to.</i>	
Application :	Applied
Explanation on application of the practice :	<p>The digital meeting platform with the Remote Participation and Voting ("RPV") facilities had enabled the shareholders and proxies to raise their questions via query box, prior to and during the Twenty-Fourth Annual General Meeting ("24th AGM") held virtually on 24 June 2021.</p> <p>Shareholders and proxies had been given sufficient time to send in their questions via query box before the 24th AGM, i.e. from the date of notice of 24th AGM on 28 May 2021 up to 48 hours before the time appointed for the AGM, and also to pose their questions via query box (real time) during the meeting.</p> <p>The Board and management attended to the questions raised and shared their responses with the shareholders and proxies at the 24th AGM. Such arrangement made by the Company had given the opportunity for the shareholders and proxies to have a real-time and two-way interaction with the Board and management at the 24th AGM.</p>
Explanation for departure :	
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure :	
Timeframe :	

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.5

The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.

<i>Note: The explanation of adoption of this practice should include a discussion on measures undertaken to ensure the general meeting is interactive, shareholders are provided with sufficient opportunity to pose questions and the questions are responded to. Further, a listed issuer should also provide brief reasons on the choice of the meeting platform.</i>	
Application	: Applied
Explanation on application of the practice	: The details of the virtual AGM for 2021 and guidance notes on the conduct of AGM were stated explicitly in the Administrative Guide to Shareholders together with the Notice of AGM. The shareholders were guided accordingly for their participation in the AGM. The proceedings of the AGM were live broadcasted, and the shareholders were able to join the live streamed AGM via web portal or mobile application which was facilitated by Tricor Investor & Issuing House Services Sdn. Bhd., being the Share Registrar of the Company and the poll administrator for the AGM. The Chairman shared at the AGM on questions submitted by the shareholders. The questions and corresponding replies were also read out by the Group Managing Director during the AGM.
Explanation for departure	:
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

Intended Outcome

Shareholders are able to participate, engage the board and senior management effectively and make informed voting decisions at General Meetings.

Practice 13.6

Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.

<i>Note: The publication of Key Matters Discussed is not a substitute for the circulation of minutes of general meeting</i>	
Application	: Departure
Explanation on application of the practice	:
Explanation for departure	: The 24 th Annual General Meeting (“AGM”) was held on 24 June 2021. The proceedings of the AGM including the responses to the questions raised by the shareholders and proxies before and during the AGM were recorded in the minutes of AGM
	The Company would adopt this Practice to circulate/publish the minutes of the forthcoming 25th AGM of the Company within thirty (30) business days after the general meeting.
<i>Large companies are required to complete the columns below. Non-large companies are encouraged to complete the columns below.</i>	
Measure	:
Timeframe	:

**SECTION B – DISCLOSURES ON CORPORATE GOVERNANCE PRACTICES PURSUANT
CORPORATE GOVERNANCE GUIDELINES ISSUED BY BANK NEGARA MALAYSIA**

Disclosures in this section are pursuant to Appendix 4 (Corporate Governance Disclosures) of the Corporate Governance Guidelines issued by Bank Negara Malaysia. This section is only applicable for financial institutions or any other institutions that are listed on the Exchange that are required to comply with the above Guidelines.

N/A
